LISTING OF THE CLAIMS:

1. (Currently amended) A license management system comprising:

a license server connected to a network; and

a terminal connected to the network;

said server including:

a first memory unit for storing a first license which includes both a content key for decrypting content and a first use condition, wherein said first use condition includes an expiration date/time for [[of]] content;

an issuance unit for, according to a request from said terminal, issuing a second license which includes a second use condition set such that a value of said second use condition is within a value of said first use condition of said content, wherein said second use condition includes an expiration date/time for said terminal which is within said expiration date/time for content; and

a transmission unit for transmitting to said terminal said second license that is issued; and

wherein said terminal includes:

a license control unit for managing said second license transmitted from said server; and

a reproduction unit for reproducing said content by use of said content key; and

wherein said server further includes:

a second memory unit for storing information on said second license which includes [[an]] said expiration date/time for said terminal which is included in said second use condition and a return mode flag which indicates automatic return or return required; and

a return control section for determining whether or not said return mode flag indicates said automatic return and said expiration date/time for said terminal has passed, and for automatically restoring to a return state of said second license when said return mode flag indicates said automatic return and said expiration date/time for said terminal has passed, even if

no second license is returned from the terminal to the server, so that said issuance unit can issue said second license for another terminal;

wherein said return control section in said server restores a number of simultaneous issues of said first license when said return control section automatically restores to said return state of said second license, and

wherein said return control section in said server deletes said information on said second license in said second memory unit without restoring said number of simultaneous issues of said first license when said second license which is returned from said terminal after said expiration date/time for said terminal has already been automatically returned by said server.

2. (Currently amended) A server for issuing a content key for decrypting content, comprising:

a first memory unit for storing a first license which includes said content key and a first use condition, wherein said first use condition includes an expiration date/time for [[of]] said content;

an issuance unit for, when a value of a use condition of said content requested by a terminal does not exceed a value of said first use condition stored in said memory unit, issuing a second license which includes said content key and a second use condition, wherein said second use condition includes an expiration date/time for said terminal which is within said expiration date/time for content;

a communication unit for transmitting said second license to said terminal;

a second memory unit for storing information on said second license which includes [[an]] said expiration date/time for said terminal which is included in said second use condition and a return mode flag which indicates automatic return or return required; and

a return control section for determining whether or not said return mode flag indicates said automatic return and said expiration date/time for said terminal has passed, and for automatically restoring to a return state of said second license when said return mode flag indicates said automatic return and said expiration date/time for said terminal has passed, even if no second license is returned from the terminal to the server, so that said issuance unit can issue said second license for another terminal; [[and]]

wherein said return control section restores a number of simultaneous issues of said first license when said return control section automatically restores to said return state of said second license, and

wherein said return control section in said server deletes said information on said second license in said second memory unit without restoring said number of simultaneous issues of said first license when said second license which is returned from said terminal after said expiration date/time for said terminal has already been automatically returned by said server.

3. (Cancelled)

4. (Previously presented) The server as claimed in claim 2, wherein:

said first use condition includes a maximum allowable number of simultaneous issues indicating a number of issues of said second license which can be distributed at the same time; and

said return control section stops automatically restoring said return state of said second license when the maximum allowable number of simultaneous issues has exceeded an initial value stored in said first memory unit.

5. (Previously presented) The server as claimed in claim 2, wherein:

said license information includes return mode information indicating whether or not said second license is to be returned, said return mode information being provided for each second license; and

said return control section executes or stops return processing on said second license according to said return mode information.

6. (Previously presented) The server as claimed in claim 5, wherein said return control section is configured for setting said return mode information according to a request from said terminal.

7. (Original) The server as claimed in claim 5, wherein said return mode information includes information for determining whether said server is to automatically return said second license.

8. (Original) The server as claimed in claim 5, wherein said return mode information includes information for determining whether said terminal is to return said second license to said server.

Claims 9-11 (Cancelled)

12. (Previously presented) The server as claimed in claim 2, wherein:

said first use condition is determined by a manager of said content or a manager of said first license; and

said second use condition is determined by a user of said content.

13. (Previously presented) The server as claimed in claim 2, wherein:

said first use condition includes a maximum allowable number of simultaneous issues indicating a number of issues of said second license which can be distributed at the same time;

when said issuance unit has issued said second license, said issuance unit decrements the maximum allowable number of simultaneous issues; and

said return control section increments the maximum allowable number of simultaneous issues to automatically restore to said return state of said second license when said expiration date/time for said terminal has passed.

14. (Previously presented) The server as claimed in claim 2, wherein:

when said issuance unit has issued said second license, said issuance unit inhibits further issuance of said second license; and

when said expiration date/time for said terminal has passed, said return control section cancels said inhibition of further issuance of said second license to automatically restore to said return state of said second license.

15. (Previously presented) The server as claimed in claim 2, wherein:

said first use condition includes a first value of the number of reproduction operations of said content;

said second use condition includes a second value of the number of reproduction operations of said content;

when said issuance unit has issued said second license, said issuance unit subtracts said second value of the number of reproduction operations from said first value of the number of reproduction operations;

upon receiving said second license returned from said terminal, said return control section adds an update of said second value of the number of reproduction operations included in said second use condition to said first value of the number of reproduction operations; and

when an expiration date/time for said terminal has passed, said return control section maintains said first value of the number of reproduction operations from which said second value of the number of reproduction operations has been subtracted, to automatically restore to said return state of said second license.

16. (Currently amended) A terminal capable of communicating with a server for issuing a content key for decrypting content, said server comprising:

a first memory unit for storing a first license which includes said content key and a first use condition, wherein said first use condition includes an expiration date/time for [[of]] said content;

an issuance unit for, when a value of a second use condition of said content requested by said terminal does not exceed a value of said first use condition stored in said first memory unit, issuing a second license which includes said content key and said second use condition, wherein said second use condition includes an expiration date/time for said terminal which is within said expiration date/time for content; and

a communication unit for transmitting said second license to said terminal;

said terminal comprising:

a second memory unit for storing said content;

a communication unit for receiving said second license from said server;

a decryption unit for decrypting said content in said second memory unit by use of said content key included in said second license;

a reproduction unit for reproducing the decrypted content according to said second use condition included in said second license; and

wherein said server further includes:

a second memory unit for storing information on said second license which includes [[an]] said expiration date/time for said terminal which is included in said second use condition and a return mode flag which indicates automatic return or return required; and

a return control section for determining whether or not said return mode flag indicates said automatic return and said expiration date/time for said terminal has passed, and for automatically restoring to a return state of said second license when said return mode flag indicates said automatic return and said expiration date/time for said terminal has passed, even if no second license is returned from the terminal to the server, so that said issuance unit can issue said second license for another terminal; [[and]]

wherein said return control section in said server restores a number of simultaneous issues of said first license when said return control section automatically restores to said return state of said second license, and

wherein said return control section in said server deletes said information on said second license in said second memory unit without restoring said number of simultaneous issues of said first license when said second license which is returned from said terminal after said expiration date/time for said terminal has already been automatically returned by said server.

17. (Original) The terminal as claimed in claim 16, wherein said reproduction unit updates said second use condition each time said reproduction unit reproduces said content.

18. (Previously presented) The server as claimed in claim 2, wherein:

when said issuance unit has issued said second license in said first memory, said issuance unit changes said first use condition; and

when said expiration date/time for said terminal has passed, said return control section restores said second license in said first memory to automatically restore to said return state of said second license.

19. (Previously presented) The server as claims in claim 2, wherein said issuance unit determines whether a return mode flag included in said request from said terminal matches or not said return mode flag in said second memory unit, sets said return mode flag included in said request from said terminal into said second license if matching, and sets a return mode flag of said first license into said second license when a return reject flag included in said request from said terminal is a predetermined value if not matching.

20. (Previously presented) The server as claimed in claim 2, wherein said issuance unit sets a value of a return inhibit flag included in said request from said terminal into said second license if a return inhibit flag of said first license and a return inhibit flag included in said request from said terminal satisfies a predetermined condition and sets a value different from said value of a return inhibit flag included in said request from said terminal into said second license if said return inhibit flag of said first license and said return inhibit flag included in said

request from said terminal does not satisfy said predetermined condition and a return reject flag included in said request from said terminal is predetermined value, and

wherein said return inhibit flag of said first license indicates return required or return inhibited.

21. (Previously presented) The server as claimed in claim 2, wherein said issuance unit sets a value of an automatic return flag included in said request from said terminal into said second license if an automatic return flag of said first license and an automatic return flag included in said request from said terminal satisfies a predetermined condition and sets a value different from said value of an automatic return flag included in said request from said terminal into said second license if said automatic return flag of said first license and said automatic return flag included in said request from said terminal does not satisfy said predetermined condition and a return reject flag included in said request from said terminal is a predetermined value, and

wherein said automatic return flag of said first license indicates automatic return not permitted or automatic return permitted.

22. (Cancelled)

23. (Previously presented) The server as claimed in claim 2, wherein said return control section retrieves said second license corresponding to said terminal from information on said second license in said second memory unit when said server receives a restore request from said terminal based on detection of damage to data of said second license in said terminal, and transmits said second license corresponding to said terminal to said terminal.

24. (Previously presented) The server as claimed in claim 23, further comprising:

a table which stores number of restore for each terminal,

wherein said return control section is configured to transmit said second license corresponding to said terminal if said number of restore corresponding to said terminal remains by referring the table, and to transmit a response which indicates the restore is impossible if said number of restore corresponding to said terminal does not remain by referring the table.